SI QUIERE MÁS INFORMACIÓN DE WSJ.COM
ESCANEE ESTE CÓDIGO Y SUSCRÍBASE

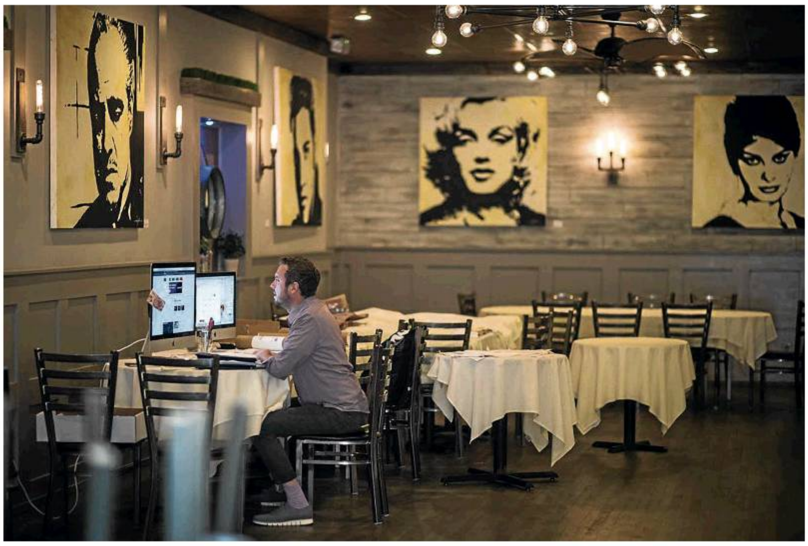

PHOTO: KHOLOOD EID FOR THE WALL STREET JOURNAL

Edward Gomez uses Da Noi's dining room as an office to continue managing his other restaurants.

a penalty–for reasons such as buying a home, preventing foreclosure or paying medical bills.

The following year, Congress let parents withdraw up to $5,000 penalty-free from retirement accounts after a birth or adoption.

"People certainly need emergency cash in the current economic crisis. But these plans were designed purely for long-term savings, and have come to serve as de facto emergency savings products–a function they weren't set up to serve," said Timothy Flacke, executive director of Commonwealth, a nonprofit that builds tools to help low-income workers save.

Among problems he sees with dipping into retirement accounts in emergencies is that people are likely to end up selling financial assets when the economy is bad and values are down. He favors adding emergency savings accounts to employers' benefits programs.

Edward Gomez, 44, turned to his retirement funds in March to repay $325,000 he borrowed last year after three of his five New York-area restaurants were damaged by fire. The Staten Island resident said he had recently reopened the venues when New York told nonessential businesses to close in March.

He negotiated a suspension of his utility and mortgage payments and applied for federal small-business loans. He received $46,800, less than he needed. Mr. Gomez said he has also been unable to collect most of the rent on four houses he owns because they're mainly occupied by his furloughed employees.

In March, Mr. Gomez said, he liquidated his $630,000 IRA, "against everybody's advice." After paying deferred taxes, he plans to repay his debt and use what remains to purchase food when his restaurants reopen.

"My restaurants are my life," Mr. Gomez said. "I feel like I will come out of this OK. I am just risking everything to start over."

From late March, when Congress approved easier withdrawals from retirement accounts, through May 8, 1.5% of eligible people with 401(k) accounts handled by Fidelity Investments took some money out, according to Fidelity.

Rival Empower Retirement said about 1% of 401(k) savers in plans it administers that allow the withdrawals took money out through May 31. At Alight Solutions LLC, 1.2% of people took a distribution through the end of May, Alight said, and more than half withdrew $100,000 or their whole balance if it was less than that.

Retirement savings programs sponsored by California, Oregon and Illinois reported increases in distributions following state shutdowns. As of the end of May, 13.7% of IRAs that Illinois residents funded through the state's Illinois Secure Choice program had been fully or partially liquidated, up from 10.7% on Jan. 1.

Brokerage firms that handle IRAs said they were unable to track coronavirus-related withdrawals.

BY ANNE TERGESEN AND ALICE URIBE

LEA LA VERSIÓN COMPLETA EN WEB

CAN–AND CANNOT–APPEAR ON THEIR PLATFORMS.

Political Ads–and What You See

CEO Mark Zuckerberg endorsed President Trump's re-election. The ad acknowledges that this claim is false.

Democratic super political-action committee Priorities USA bought ads on YouTube, Facebook and television that juxtaposed President Trump's comments about the new coronavirus with a chart showing its rising case count. Fact-checking group PolitiFact wrote that the ad may lead viewers to believe that the timing of Mr. Trump's comments matches the charted growth in U.S. cases, though many of the comments were made earlier. Priorities USA defended the ad as accurate.

Political-action committee The Really Online Lefty League bought a Facebook ad claiming that Sen. Lindsey Graham supported the Democrats' Green New Deal legislation. Fact-checking group PolitiFact debunked the claim as false, reporting that Sen. Graham has opposed the Green New Deal. The Really Online Lefty League declined to comment.

WHAT ABOUT AN AD TARGETED TO A LIST?

Conservative advocacy group CatholicVote compiled a list of voters who had attended Catholic churches using cellphone location data, then targeted them with ads calling former Missouri senator Claire McCaskill "anti-Catholic."

CatholicVote defended the technique as more successful than other methods of targeting Catholics. The ad ran in support of Republican Josh Hawley, who won the race. His 2018 campaign manager, Kyle Plotkin, said the campaign was unaware of the targeting. Ms. McCaskill didn't respond to requests for comment.

WHAT ABOUT A COMMERCIAL AD THAT GETS POLITICAL?

Clothing retailer Patagonia Inc. bought a Facebook ad that criticized President Trump's rollback of the Endangered Species Act.

Match Group Inc. bought a Twitter ad stating that former South Bend, Ind., Mayor Pete Buttigieg met his husband on the company's dating app Hinge. Mr. Buttigieg was a candidate for the Democratic presidential nomination at the time of the ad campaign.

S.C. Johnson & Son Inc. brand Windex bought "Help Seas Sparkle" ads on Facebook and Twitter that promoted the brand's recyclable bottles.

BY HAGGIN AND GLAZER

MARY ANASTASIA O'GRADY

MARY ANASTASIA O'GRADY WRITES "THE AMERICAS," A WEEKLY COLUMN ON POLITICS, ECONOMICS AND BUSINESS IN LATIN AMERICA AND CANADA THAT APPEARS EVERY MONDAY IN THE JOURNAL.

Will Canada Send Oil and Gas Packing?

For most of the world the Covid-19 crisis is a horror show. But for a subset of green Canadian politicians and activists seeking to drive a stake through the heart of their country's oil-and-gas industry, the coronavirus is a screaming opportunity.

The lockdown across the globe has caused a sharp drop in demand for crude, and Saudi Arabia and Russia have made things worse by flooding the market with supply. In Canada, swooning prices have put oil and gas producers in a precarious state.

Yet a third problem is bigger and more threatening than the falloff in demand and the Saudi-Kremlin game of chicken: a political class that can't quite decide if it prefers the green votes it wins by denouncing oil and gas or the billions in tax revenues that Canada's energy industry produces for Ottawa.

In the midst of the pandemic, Prime Minister Justin Trudeau's minority government has so far declined to step in with serious federal help for energy producers. This seems upside-down since from 2014 to 2019 the oil-and-gas industry generated more than 5% of Canadian gross domestic product. From 2016 to 2018 payments to government averaged $8 billion annually.

The paradox is explained by the influence that the environmental movement is having inside Mr. Trudeau's minority government. The prime minister appears intelligent enough not to drive the energy industry off a cliff. But he's not standing up for it either. Meanwhile some of his peers in Parliament are positively gleeful about the troubles in the oil patch.

Green Party leader Elizabeth May told reporters on May 6 that her "heart bleeds for people who believe the sector is going to come back. It's not. Oil is dead, and for people in the sector, it's very important there be just transition funds." Bloc Québécois leader Yves-François Blanchet echoed those sentiments, stating that oil is "never coming back" and that "putting any more money in that business is a very bad idea."

New Democratic Party leader Jagmeet Singh has continued with his longstanding view that "the future is going to be renewable" and that Canada needs to have "more investment in sustainable economies that lower our emissions."

Ottawa has crafted emergency funding for the economy but has made things difficult for businesses that use fossil fuels. Access to a federal financing program designed for large companies requires a commitment not only to Canada's Paris Accord agreement but also to the Canadian goal of zero net emissions by 2050. Elmira Aliakbari, associate director of natural resources at the Vancouver-based Fraser Institute, told me last week that this could be prohibitively expensive for oil and gas companies, airlines and manufacturers. These businesses are "already experiencing cost increases from the national carbon tax," which undermines global competitiveness. In April the government announced that it will go ahead with a 50% carbon-tax increase despite the burden of the Covid-19 pandemic.

According to Ben Brunnen, vice president for oil sands economic policy at the Canadian Association of Petroleum Producers, some of the larger players have since lined up some $10 billion in liquidity funding. Small and medium-size companies are having more trouble and are still on the knife's edge while the federal government fiddles with a variety of proposals that have yet to be made official. Mr. Brunnen told me in a telephone interview last week that industry consolidation won't be a surprise.

Since Organization of the Petroleum Exporting Countries production cuts on May 1, prices have come off their lows and a path back to pre-pandemic production levels for Canada in 2021 is feasible. Yet without a clear signal from Ottawa that it considers Canadian oil and gas production an integral part of the economy, revival will be tough.

Investors have been growing wary of Canada for some time because of resistance to pipelines and other infrastructure. In February, Teck Resources withdrew its plans to build a new $20 billion oil-sands mine in Alberta. CEO Don Lindsay diplomatically explained the decision, noting that "investors and customers are increasingly looking for jurisdictions to have a framework in place that reconciles resource development and climate change, in order to produce the cleanest possible products." That's a polite way of saying that there is too much political risk in Canada.

Energy entrepreneurs aren't asking for a handout. As Mr. Brunnen put it to me, they merely want Ottawa to develop a post-pandemic "strategy for the recovery that includes us as a partner to reduce emissions in a carbon-constrained future. We need them to think on a globally competitive basis, help position Canadian oil to meet global demand, and defend our industry in response to environmental campaigns that unfairly target our sector."

That doesn't seem too much to ask. Let's see if Mr. Trudeau is up to the task.